

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Level 3 Communications, Inc.		2 Issuer's employer identification number (EIN) 47-0210602	
3 Name of contact for additional information Investor Relations	4 Telephone No. of contact 720-888-2518	5 Email address of contact investor.relations@level3.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1025 Eldorado Boulevard		7 City, town, or post office, state, and Zip code of contact Broomfield, CO 80021	
8 Date of action 10/19/2011		9 Classification and description Common stock reverse stock split	
10 CUSIP number 52729N100	11 Serial number(s) N/A	12 Ticker symbol LVLT	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Effective 5:00 EDT on October 19, 2011, Level 3 implemented a 1-for-15 reverse stock split of its common stock in conjunction with its listing on the New York Stock Exchange. The reverse stock split automatically combined every 15 shares of issued and outstanding Level 3 common stock into one (1) share of Level 3 common stock.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ As a result of the reverse stock split, Level 3 shareholders will be required to allocate the aggregate tax basis in their Level 3 common stock held immediately prior to the reverse stock split among the shares of Level 3 common stock held immediately after the reverse stock split (including any fractional share interest in Level 3 for which cash is received). In general, a shareholder's aggregate tax basis in his or her shares of Level 3 common stock held immediately prior to the reverse stock split should be allocated in proportion to the reduced number of shares of the Level 3 common stock (and reduced by any tax basis attributable to a fractional share).

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Level 3 completed a 1-for-15 reverse stock split such that each 15 shares of Level 3 common stock resulted in one share of Level 3 common stock. One possible approach to determining the basis in Level 3 common stock would be to multiply the the shareholders' per share basis in all common stock owned just prior to the reverse stock split by 15 resulting in the shareholders' per share basis in the post-split common stock of Level 3.

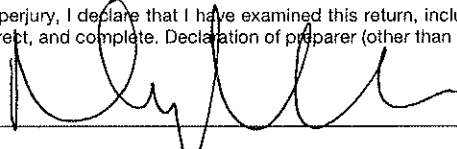
Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
I.R.C. Section 358.

18 Can any resulting loss be recognized? ▶ Except to the extent of cash received in lieu of fractional shares, Level 3 shareholders generally will not recognize gain or loss for U.S. federal income tax purposes. In general, if a shareholder receives cash in lieu of a fractional share, the shareholder will recognize capital gain or loss based on the difference between the amount of cash received and the shareholder's adjusted basis in the fractional share. The capital gain or loss will constitute long-term capital gain or loss if the shareholder's holding period for the Level 3 common stock is greater than one year as of the date of the reverse stock split. The deductibility of capital losses may be subject to limitations. Shareholders should consult their tax advisors with respect to the potential tax consequences to them of the reverse stock split.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
The reportable tax year is 2011 for taxpayers reporting taxable income on a calendar year basis. For shareholders reporting taxable income on a basis other than calendar year, the reportable tax year is the shareholder's tax year that includes October 19, 2011.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature ▶  Date ▶ January 13, 2012

Print your name ▶ Douglas A. Richards Title ▶ Senior Vice President, Tax

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.